

ARTICLE 36 COMPANY RULES AND EMPLOYEE DISCIPLINE

36.1 RULES AND REGULATIONS

The Company shall enforce rules and regulations fairly and equitably. The Union and employees shall be notified prior to the institution of new rules and regulations or changes in existing rules and regulations. The Union shall have the right to protest through the grievance procedure the extent of any penalty levied against any employee for any alleged violation of such rules and regulations. Letters of Reprimand will be returned to the employee after six (6) months from date of issue. Letters of Suspension will be returned to the employee after 12 months from date of issue. Letters of Reprimand and Letters of Suspension returned to the employee shall not be used for any future disciplinary action.

36.1(a) Discipline shall be given for violation of work rules within 10 workdays after the Company becomes aware, or should have reasonably known, of the violation(s), unless extended by mutual agreement of the Union and Company.

36.2 NOTICE OF SUSPENSION OR DISCHARGE

The Company shall give at least 48 hours notice to the Union and the affected employee before a suspension of five (5) days or more or a discharge becomes effective, unless it is necessary that the employee be immediately removed from the premises. During this 48 hours notice period, a meeting shall be held with affected employee (if available), the Manager, Personnel and/or Manager, Labor Relations or their designee and the Union Business Representative or his designee, the Chairman of the Union Grievance Committee and/or the affected Committee person.

36.2(a) Notice to the employee may be delivered in person or sent by certified mail, or telegram or other documentable and verifiable means to the employee's last known address as shown on the Company records.

36.2(b) A grievance arising out of discharge or disciplinary suspension must be filed with the Manager, Labor Relations or designee, within five (5) workdays after such discharge or suspension, and shall be processed in Step III.

ARTICLE 37 DURATION

37.1 This Agreement shall remain in effect until midnight on May 1, 2005, without reopening rights for any purpose by either party, and shall automatically renew itself from year to year thereafter unless written notice of desire to terminate the Agreement is given by either party at least 60 days prior to May 1, 2005, or at least 60 days prior to any annual expiration date thereafter. If such written notice of desire to terminate is given, the parties may nevertheless mutually agree in writing to an extension of this Agreement for a specified length of time beyond the expiration date.

37.2 The parties agree that, should a Request for Proposal (RFP) issued by the Government for the follow-on contract to the present contract between the Company and the Government contain any requirements which are inconsistent with any provision of this Agreement, they will meet to discuss such requirements. The parties will earnestly seek solutions to any identified inconsistencies between the RFP and this Agreement.

This agreement executed and effective the 6th day of May, 2002.

DynCorp Technical Services, LLC
Fort Rucker Division

**International Association of Machinists
and Aerospace Workers, AFL-CIO**
Local Lodge No. 2003

Thomas M. Walker
Division Manager

John C. Crowdis
IAM Aerospace Coordinator

William A. Tucker
Director, Labor Relations – DTS

B. R. Brownell
Directing Business Representative

Shirley W. Leingang
Manager, Labor Relations

Jimmy Cotter
Chairman, Hanchey Field

Mark Couch
Labor Relations Representative

Ricky Barton, ATTC

Charles G. Brackin
Director, Operations

Anthony M. Bishop, Pilot Unit

Daniel P. Campbell
Director, Contract Administration

Greg Brownell, Lowe Field

William F. Head, Cairns Field

Donald W. Martin
Director, Human Resources - DTS

Randy Murphy, Knox Field

Steve Roper, Main Post

L. Susan Shultz
Contract Administrator

Pat Smith, Clerical Unit

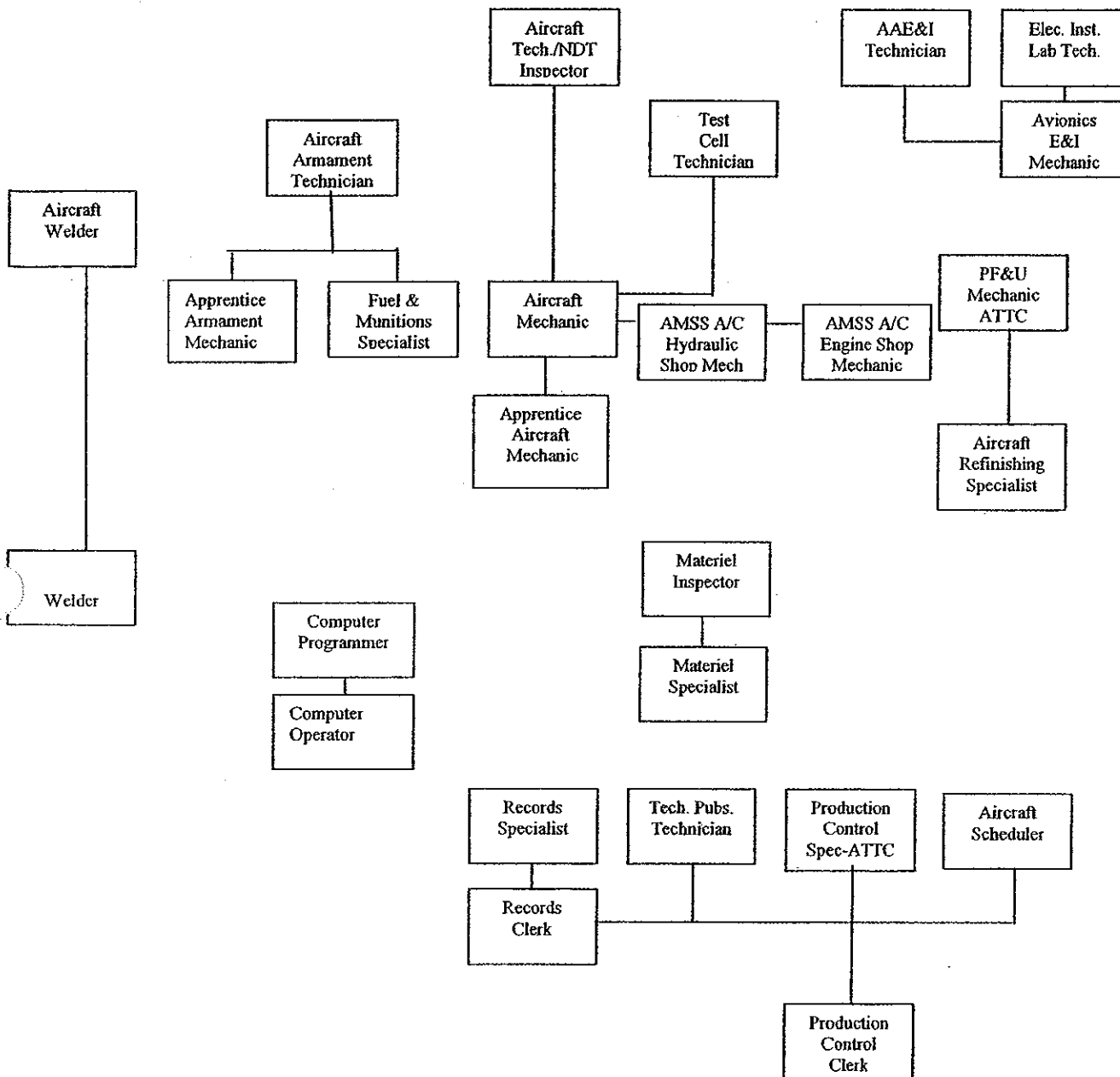
Charles W. Stokes, Shell Field

Jimmy D. Wood
Director, ATTC

O. Merrell Tanner, ITS Unit

APPENDIX A

Lines of Progression



APPENDIX B

May 6, 2002

MEMORANDUM OF UNDERSTANDING

Subject: Early Retirement Program

The Company and the Union agree that, operational requirements permitting, the opportunity for early retirement should be offered again after the current program ends on April 30, 2002. The following criteria would apply to future early retirement program offerings unless modified by mutual agreement of the parties:

The program will be available to employees on the active payroll who are less than age 65 on the requested date of retirement, and

1. are at the maximum pay rate of their rate range, and are accruing a minimum of five (5) weeks of vacation leave, or
2. have 30 or more years of service on the Aircraft Maintenance contract at Ft. Rucker.

Employees must complete the retirement application form available at work sites and return it to Personnel at least 30 days prior to the requested retirement date. Upon approval by the Company, this application for retirement will be a binding contract between the employee and the Company.

If an employee retiring under this program is insured under the Company's health insurance plan prior to retirement, the Company will pay the total cost of continuing such health insurance coverage for three (3) years or to age 65, whichever is earlier.

If the employee's spouse and/or eligible dependents are insured under the Company's health insurance plan prior to the employee's retirement, the Company will pay the total cost of continuing such health insurance coverage for three (3) years or until the employee reaches age 65, whichever is earlier, provided that such spouse and/or dependent coverage will be governed by the normal age restrictions for coverage specified in the health insurance plan.

Employee, spouse or dependent coverage terminated under the above provisions may be continued under the COBRA provisions of the plan, if appropriate.

If an employee retiring under this program is insured under the Company's health and life insurance plans prior to retirement, the employee can maintain basic life and optional life insurance by paying the full cost of the premium for three (3) years or to age 65, whichever is earlier.

If the employee's spouse and/or eligible dependents are insured under the Company's health and life insurance plans prior to the employee's retirement, the spouse and/or dependent can continue the basic life insurance coverage by paying the full cost of the premiums for three (3) years or until the employee reached age 65, whichever is earlier, provided that such spouse and/or dependent continues to be covered under the Company's health insurance plan.

The memorandum of understanding shall remain in effect during the term of the current Collective Bargaining Agreement between the parties unless cancelled or modified by mutual agreement of the parties at an earlier date.

Agreed to this 6th day of May, 2002.

For the Union:

For The Company:

S/B. R. Brownell
Directing Business Representative
IAM&AW District Lodge 75

S/Shirley W. Leingang
Manager, Labor Relations
DynCorp

APPENDIX C

LETTER OF UNDERSTANDING

May 6, 2002

MACHINISTS CUSTOM CHOICE WORKSITE BENEFITS PROGRAM

It is understood and agreed between the parties that the Machinists Custom Choice Worksite Benefits Program of supplemental insurance benefits will be offered to employees in the bargaining unit through their designated agent, Employee Benefit Systems, Inc. (EBS). Members of the bargaining unit will be given an opportunity to spend up to fifteen minutes with an EBS Counselor at the worksite during normal working hours, once per year. The Company reserves the right to coordinate the schedule with EBS to prevent conflict with mission requirements.

The Company will honor payroll deduction requests and remit deductions to the underwriting insurance Company designated by EBS on a schedule, which is mutually agreed to by the Company and EBS. The Union will defend, save, and hold harmless and indemnify the Company from any and all claims, demands, suits or any other forms of liability that shall arise out of the execution of this letter by the Company.

The Company agrees to implement the provisions of this letter as soon as possible after the administrative systems and financial requirements are worked out between the Company and EBS.

The parties agree that the provision of this Letter of Understanding will be effective for the term of the current Collective Bargaining Agreement between the parties unless rescinded or amended earlier by mutual agreement between the parties.

For the Union:

S/B. R. Brownell
Directing Business Representative
IAM&AW District Lodge 75

For the Company:

S/Shirley W. Leingang
Manager, Labor Relations
DynCorp